

**HISTORICAL DIVISION[223]****Adopted and Filed Emergency**

Pursuant to the authority of Iowa Code section 303.1A, the Director of the Department of Cultural Affairs hereby amends Chapter 48, “Historic Preservation and Cultural and Entertainment District Tax Credits,” Iowa Administrative Code.

The purpose of this amendment is to clarify the procedures by which the public may access historic preservation and cultural and entertainment district tax credits.

In compliance with Iowa Code section 17A.4(2), the Department finds that notice and public participation are impractical due to the need to have administrative rules in place to address constituent demand for historic preservation and cultural and entertainment district tax credits that greatly exceeds the amount of tax credits available.

The Department also finds, pursuant to Iowa Code section 17A.5(2)“b”(2), that the normal effective date of this amendment should be waived and this amendment should be made effective on September 24, 2008, as it confers a benefit on the constituents interested in applying for historic preservation and cultural and entertainment district tax credits.

The Department adopted this amendment on September 23, 2008.

This amendment became effective on September 24, 2008.

This amendment is intended to implement Iowa Code chapter 303 and Iowa Code Supplement chapter 404A.

The following amendment is adopted.

Amend subrules 48.8(3) and 48.8(4) as follows:

**48.8(3) *Initial sequencing process.*** An initial sorting process based on the status of the project application at the start of the state fiscal year will be used to associate applications with the appropriate initial sequencing category. Following initial sorting into a category, each application within the assigned category will be sequenced in accordance with rule 223—48.8(303,404A).

*a.* Category A projects are comprised of projects with qualified rehabilitation costs documented in part three of the application in excess of the estimated rehabilitation costs in part two pursuant to paragraph 48.6(8) “*b*” and which could not be otherwise reserved from available credits in the appropriate funding queue.

*b.* Category B projects are comprised of projects for which part two of a state historic tax credit application was submitted during any previous year’s filing window, as verified by records maintained at the SHPO, and was included in that year’s sequencing system, and did not receive a tax credit reservation. Category B projects will be divided into subcategories according to the state fiscal year of original submission. Projects will be included in a subcategory for the state fiscal year of original submission provided the project was included in each successive state fiscal year’s sequencing system and did not receive a tax credit reservation. Category B projects must be resubmitted during the present year’s filing window.

*c.* Category C projects are comprised of projects with part two of a state historic tax credit application that includes the same scope of work approved for federal rehabilitation tax credits, as documented by a signed part two of the federal tax credit application approved prior to the first business day of the state fiscal year, and applications with rehabilitation costs in excess of \$500,000 which are not eligible for the federal program. Applications eligible for this category must include one of the following:

- (1) A new part two of the application with part one of the application already on file;
- (2) New parts one and two of the application; or
- (3) New parts one, two and three of the application.

*d.* Category D projects are comprised of an entirely new part two of a state historic tax credit application not meeting the requirements for any other category and having been received within the specified filing window. Projects may consist of parts one and two of the application, parts two and

three of the application with a part one having already been submitted, or parts one, two and three of the application.

**48.8(4) *Secondary sequencing process.*** Using a random number generator, SHPO staff will assign unique, random numbers to all applications that are eligible for inclusion in the review sequencing system within each category of the initial sequencing system. Applications within each category, and subcategory, shall then be placed in numeric order from lowest to highest. SHPO staff shall then create a master review sequence list, with category A applications reviewed first; category B applications, arranged by subcategory starting with the earliest state fiscal year of original submission, reviewed next; category C applications reviewed next; and category D applications reviewed last.

[Filed Emergency 9/24/08, effective 9/24/08]

[Published 10/22/08]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 10/22/08.